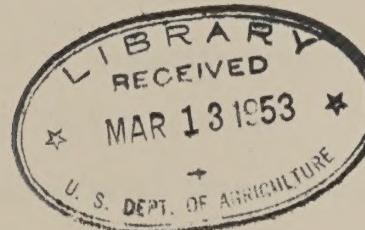


956
28477
Cop. 2

UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.



October 22, 1952

To:

From: Administrator

Subject: PMA's Annual Management Report

I am sending you a copy of PMA's Management Report for the 1952 fiscal year. I want to take this opportunity to congratulate you on our accomplishments during the past year. This is a good report. I am sending copies of it to Congressional leaders and others for their information.

For various reasons some of the management accomplishments reported by branches and offices were not included in the over-all PMA report. In most cases this is no reflection on the importance of the accomplishment to your office. In the interest of brevity it was necessary to select typical accomplishments for inclusion in the report. As I reviewed the report, I felt that in some instances more progress has been made than was reported. This is unfortunate as our report should be as complete as possible. In addition, I regret that some offices did not do as much work in this field as they should.

I hope each of you will read the report and note carefully the accomplishments reported. Next year I am confident that each of you will continue to search for and utilize every possible means of saving funds and improving the services we render to farmers and others. I am hopeful that we will be able to make an even better report next year.

G. Gissler

Attachment



1933

INDEX TO MANAGEMENT ACCOMPLISHMENTS

<u>Item No.</u>	<u>Title</u>	<u>Page No.</u>
1.	Decentralization of Commodity Loan Programs	3
2.	Establishment of Area Directors	3
3.	Revisions of Agricultural Conservation Program	3
4.	Revision of Warehouse Requirements Under Storage Contracts	4
5.	Improvements in Direct Distribution Agency Agreements	4
6.	Reorganization of Dairy and Poultry Inspection and Grading Programs	5
7.	Coordination of U.S. Warehouse Act and CCC Inspections	5
8.	Coordination of Dofonso Committee Activities	6
9.	Improvements in Fund Control and Work Measurement	7
10.	Ocean Shipping Rate Savings	8
11.	Conversion of Administrative Property Records to Machine Tabulation System	8
12.	Inventory Control Records System	9
13.	Revision of Inventory and Loading Order Procedures	9
14.	Auditor Training Program	10
15.	Files and Records Management	10
16.	South Carolina State Office Accomplishments	10
17.	Summary of Incentive Awards Program	11

UNITED STATES DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

ANNUAL REPORT ON MANAGEMENT

August 29, 1952

The objectives of PMA's action type programs are directly affected by changing economic, weather, international, and other conditions requiring continual attention to management matters. The Administrator of PMA and his principal assistants constantly study our objectives, work methods, and program progress to assure the most effective and efficient operation. Our primary objectives during the 1952 fiscal year were: (1) promoting the efficient use of production resources in producing a balanced abundance of agricultural commodities; (2) co-ordinating the Agricultural Conservation Program with the production goals program so that each program would complement and supplement the other; (3) through price support programs stabilizing the price of agricultural commodities at or near parity levels; (4) improving marketing methods and facilities through research activities and, through administration of commodity inspection, grading, testing, and market news services and various regulatory laws, assisting in reduction of costs in moving products from producers to consumers and in insuring fair market prices and trade practices; (5) safeguarding through school lunch the health and well-being of the Nation's children and through other food distributing programs directly assisting in finding outlets for agricultural commodities in temporary abundance; and (6) carrying out responsibilities under the Defense Production Act and related mobilization programs as they relate to the food and agricultural segment of the U.S. economy, including determination of requirements, operation of necessary priority and allocation controls, claiming non-food materials and facilities needed to obtain required production, processing and wholesale distribution of food, making price minimum determinations and conducting related defense production expansion programs.

In accordance with PMA policy we have continued to place primary responsibility for the efficient and effective execution of program and administrative functions on the units and employees who develop the operational procedures and supervise their administration. One significant change in our management facilities during the year was the reorganization of our Management Advisory Committee which reports directly to the Administrator. The Committee consists of 12 officials familiar with detailed operations yet highly enough placed in the organization so that they are keenly aware of the need for planning, coordination, and operational reviews in program administration. This group has and will continue to devote more time to this activity than members of the preceding Committee.

Briefly stated the functions of the Management Committee are to consider broad policies and problems beyond the scope of individual offices and make recommendations for improvement to the Administrator. Several studies have been made of organizational, fiscal, procedural, personnel, and program problems with significant recommendations having been presented to the Administrator.

As an example, the Committee is now considering at the Administrator's request the causes of delays in preparation, clearance, and duplication of program dockets, bulletins, and procedures. Each PMA organizational unit concerned was contacted to determine difficulties they have encountered and to obtain their suggestions for eliminating delays. This information was carefully considered by the Management Committee and a comprehensive plan for eliminating excessive delays was formulated. The plan involves the preparation of annual work calendars by each office concerned. The calendars will be reviewed and approved by one of the Assistant Administrators for the purpose of leveling peak work periods and assuring the timeliness of program procedures. The plan also provides for scheduling each separate major phase of work for each program with a time limit placed on each clearance point. We feel this will provide a more orderly flow of program documents through the discussion, drafting, clearance, duplication, and mailing stages.

Our preceding management report described in some detail the installation of extensive records management, forms control, reports control, budget survey, and work status report techniques for assuring more economical and better services. All of these techniques are still in full force and effect. They are continually modified and improved as minor imperfections become apparent.

Our State and Commodity Offices, which comprise the largest segments of our field force, continue to operate substantially the same type of management program as was described in last year's management report. The primary accomplishment of these offices has been the decentralization of commodity loan responsibilities to county committees. This work is described in detail later in this report. Also the PMA State and county offices have provided leadership in carrying out the Secretary's consolidated housing program for State and county offices of the Department.

Our Management Advisory Committee has a detailed list of proposed projects for consideration during the 1953 fiscal year. Several of these projects have already been studied by the Committee and recommendations made. Our Management Advisory Committee will continue its bi-weekly meetings and the study of major problem areas. All our facilities and techniques for assuring good management will be continued. We are currently planning to improve and standardize to a greater extent organization and operations of the PMA Commodity Offices. We will study ways and means of improving administration and common services activities of State and county offices.

A comprehensive program for the retention, transfer, and disposition of CCC records has been approved by the Secretary of Agriculture and Congress. During the 1953 fiscal year administrative instructions will be issued and records officers will begin assisting field offices, lending agencies, and Washington offices with the vast disposal job. With this program we now have an active records management program for all PMA offices.

Plans have been formulated for expanding the audit coverage of PMA State and county offices by the Office of Audit during the 1953 fiscal year. In addition State Offices will increase the frequency and scope of county audits they conduct. This increased emphasis on the audit program will be worked out jointly between the Office of Audit and State PMA Offices.

We are in the process of strengthening our Office of Compliance and Investigation and are making plans to obtain some additional decentralization of administrative review of their reports to insure faster consideration and action.

The following paragraphs describe some of the more important management accomplishments of the Production and Marketing Administration during the 1952 fiscal year. An index of these accomplishments is attached.

1. Decentralization of Commodity Loan Programs. A major change in the operations of PMA was effected by decentralized handling of CCC loans on the 1952 and subsequent crops. These operations were formerly administered by 8 PMA Commodity Offices, but the time consumed in long distance transmission of loan documents made it difficult for the producer to sell his commodity at an advantage on a fluctuating market. The delay in acquiring loan documents from lending agencies discouraged farmers from redeeming loans when market prices were above loan levels. As a result, in some years CCC was forced at maturity of the loans to take over large quantities of commodities which might otherwise have gone into commercial channels and relieved CCC of taking title to and marketing the commodity. Under the decentralized procedure the county PMA committees were given additional responsibility for administering the CCC loan programs. For the most part the loan documents are maintained either in the county office or in local lending institutions where they are immediately available. In addition to localizing the position of the loan documents, the county PMA committees were given the responsibility for processing warehouse and farm storage loans, making country warehouse inspections, handling loan redemptions, and other related local activities.

The decentralized loan program is expected to result in a definite improvement in program operations and in elimination of duplication of paper work. Foremost, however, is the better service provided to farmers.

2. Establishment of Area Directors. An improved system for coordination of PMA State and Insular Offices became operative. The changes comprised establishment of 6 Area Directors each of whom is assigned a certain geographical area. The Area Directors are directly responsible to the Assistant Administrator for Production for the proper administration of State and Insular programs. They form the major coordinating link between the State Offices and branch and staff offices of PMA in Washington. As a result of the closer personal contact with State, county, and Insular Offices, a marked improvement in the efficiency of those offices has been reflected during the year. They are more currently informed of policy changes and their questions are answered with a minimum of delay.

3. Revisions of Agricultural Conservation Program. A new approach to the Agricultural Conservation Program has been designed to increase the effectiveness of conservation activities. This fall each farmer will be visited by his PMA community committeeman at which time they will together plan the use of 1953 program assistance so as to get the most needed practices carried out on the farm.

The Community Committeeman will make his recommendations to the county committee which will review them and notify the farmer before the beginning of the program year of the practices approved and the amount of financial assistance he may expect to receive.

This new approach was used in one county in each State in 1952. The results are very encouraging from the viewpoint of conservation accomplished and have played an important roll in the effort to coordinate the conservation activities of the Department. The better selection of practices and the encouragement of farmers to use long range farm plans developed by Departmental agencies makes more effective the work of all agencies in the field of conservation.

To assist State Committees in the administration of the new approach a detailed operating procedure for county offices has been developed and issued to enable them to better organize and plan their work at the county level.

4. Revision of Warehouse Requirements Under Storage Contracts. In the past the basis for approval of warehousing facilities and for determining bonding requirements has been established by the several program branches under various program authorizations and has not been uniform with respect to the pre-approval investigation of applicants, the amount of bond protection required, or the methods employed for periodic review of the qualifications of approved warehouses. It appeared advisable for CCC to adopt a policy which would establish standards for a more adequate screening of warehousemen making application for CCC warehousing contracts, for increased protection of the financial interests of CCC and for more uniform application of the prescribed standards to individual warehousemen. It was considered desirable, also, to make certain bonding requirements mandatory rather than discretionary as a condition to approval of warehousing facilities. Based on those considerations, requirements were established that facilities and warehousemen should be inspected prior to approval and a report of such inspection with the recommendation of the inspector be made a part of the record upon which approval is based. Increased bonding requirements were established affording increased financial protection to CCC against losses. Standards were developed to be used in determining approval or disapproval of applications of warehousemen which will result in more certain disclosure of material facts prior to approval. Increased efficiency in the administration of CCC warehousing contracts seems assured as a result of this project.

5. Improvements in Direct Distribution Agency Agreements. Significant progress was made in getting States to assume greater responsibility for intrastate distribution of donated foods. Through efforts of the Food Distribution Branch there was a consolidation and transfer of such responsibilities to a fewer number of State agencies or to agencies having State-wide responsibility. Also, we were successful in getting such agencies to adopt improved methods of handling and managing the foods made available.

Although certain agency agreements are now in the process of negotiation, it appears that the Food Distribution Branch will have agreements with fewer than 75 distributing agencies in 1953, compared with over 100 such agencies in 1952, and over 1,000 at the end of World War II. The centralization of distribution responsibilities within a State makes possible the distribution of donated commodities to a greater number of eligible recipients. It also results in more efficient management and delivery practices. With fewer distributing agencies, available PMA personnel can do a more effective job in assisting States to improve their operational standards and less time and travel funds are required in the review of agency operations.

6. Reorganization of Dairy and Poultry Inspection and Grading Programs. Effective July 1, 1951, the former Dairy and Poultry Inspection and Grading Service was separated. Those activities relating to poultry inspection and grading were transferred to the Poultry Branch. Prior to that date inspection and grading services on dairy and poultry products were administered by the Dairy Branch through 45 cooperative agreements requiring 45 Federal trust funds. There were 3 national cooperative agreements and 42 cooperative agreements with individual States providing for Federal trust funds besides additional cooperative agreements with State trust funds involved. The provisions of each of these cooperative agreements were different. The amounts and methods of reimbursements and other financial provisions of each cooperative agreement were different from each other.

Effective July 1, 1951, a master cooperative agreement was developed by the Dairy Branch. This agreement is currently in effect in 41 States and substantial progress has been made in reducing the number of trust funds and agreements for the remaining States.

On the Poultry Branch side of the picture the inspection and grading field offices were reorganized and consolidated. There were four geographical areas for inspection and five geographical areas for grading. Careful study demonstrated the feasibility of abolishing one area for grading and establishing four uniform geographical regions for inspection and grading. Further, plans were approved for consolidating the regional offices of inspection and grading. This will now permit integration of much of the clerical and administrative work of the four regional offices. It will improve supervision by freeing the area supervisors from many administrative details which have been taking too much of their time.

7. Coordination of U.S. Warehouse Act and CCC Inspections. In connection with the administration of the U. S. Warehouse Act during the past year, an additional safeguard was injected into the examining of warehouses operating under the Act. Heretofore checks were made at each inspection to determine that commodities were on hand to support outstanding warehouse receipts. In grain warehouses not all grain is always covered by receipts due to the nature of the operations. Many warehousemen have a substantial nonreceipted liability at certain seasons of the year. Procedures have been set up for checking against this nonreceipted liability, and each warehouseman is also required to supply a signed statement in which he declares under penalty of perjury that the nonreceipted obligation which is listed is accurate and complete according to the warehouseman's records and his best knowledge and belief. Closer attention is also being given to see that the warehouseman's stocks by grade are in line with all his obligations by grade, whether covered by receipts or not.

This plan for the coordination of differentoso committees in which PMA has an interest
out thorey dofonoso responsibilities. In addition it has provided a committee
of officials generally with information which they find useful in carrying out
functions that have been given to PMA committee representatives and it has provided
information for more than a year. During that time it has served to coordinate
operations for the coordination of differentoso committees activity has been in

two mainitained and made available to other PMA officials.

meetings held during the week. Minutes of the Thursday morning meetings made
and intercagency dofonoso committees to most recently to discuss the coordination
findings, the Administrator asked PMA representatives on territorial administration
on which PMA was represented. Following this survey and analysis of
survey to be made of the purpose and membership of all dofonoso committees
to solve this problem that a complaint a complaint

subjects covered.

the PMA representatives and other officials who were interested in the
matter among the various PMA representatives on the committees and between
those committees, there appeared to be an insufficient exchange of information
to name just a few. In view of the territorial relationship and importance of
Producction Administration, the stockpile committee sponsored by the International
Board, and the various committees of the International Institutions Conference
(now called Dofonoso Meteorological Organization Committee) sponsored by the Dofo-

National Production Authority, the Vital Meteorological Coordination Committee
Producation Administration, the various committees sponsored by the Dofo-

the Regional Food Committee sponsored by the Department of Agriculture,
committess which had interdepartmental or intercagency membership, including
By the early part of 1951 PMA was represented on more than 30 dofonoso-related

and intercagency has taken place through committees.
stantially with the beginning of the dofonoso effort. Much of this cooperation
necessitating interdepartmental and intercagency cooperation involved sub-

B. Coordination of Dofonoso Committee Activities. Government programs

the Commodity Office in those areas that were housed is located.
Warehouse Act is denied the Transportation Branch notifications
longs with the warehousing. Similarly, when an application under the
Invoicing Office to dothorize that have been done so export
an agency is made of the Commodity Office as well as the Commodity and
before making an inspection, it responds to an application for a license,

others.
dotoection of a wrongfu use by the warehousemen of great backloging to
view to ascertain why dothority was not made. This classists in early
of dothority orders by licensees warehousing. Those are checked with a
CCC now informs the warehouse act division of any dothor in the account

areas where the warehouse is located is so informed.
in the course of examination of any warehouse that Commodity Office in
sent to the commodity branch involved. If serious condititons are found
suspended, exports, or is revoked for any reason, notice is promptly
account of CCC storage programs. When a warehouseman's license is
hours act, and other units responsible for the telephone directoan and
Division, which makes inspections and grants licenses under the U. S. Ware-

Closor working relations have been established between the warehouse act

9. Improvements in Fund Control and Work Measurement. In order to improve the administrative control of funds, the following system has been made effective:

The financial requirements of each organizational unit are determined on the basis of analyses of the anticipated necessary workload in each activity financed by a separate appropriation or fund. Allotments indicate the specific amount of each fund made available and the quarterly limitations on the use of each fund. The allotments from which personal services and other expenses are paid for Washington branches and offices, and certain field offices with two or more activities, are made from the CCC Administrative Expense Disbursement Account with amounts specified for each fund by quarter. These allotments are, in effect, direct allotments, the CCC Administrative Expense Account being used as a disbursement account only. Each field office carrying out a single activity receives a direct allotment from the applicable appropriation.

Personal services costs are recorded by fund on the basis of documented time records or workload data. Obligations for other objects are established directly from the obligating documents, where the program can be identified or on the basis of personal services cost or some other equitable basis in cases where obligations cannot be directly identified. The system of cost distribution and obligation recording used by each organizational unit is reviewed and approved by the Fiscal Branch and performance is audited by the Office of Audit. The Office of Budget is responsible for analyzing obligations to ascertain compliance with prescribed limitations.

Obligations are adjusted to expenditures on the basis of a copy of the allotment ledger expenditure listing furnished by the Fiscal offices to each allottee at the end of each month. The allottees report, monthly, cumulative obligations by object and by fund. The Fiscal Branch prepares a summary by fund of the monthly obligation reports for allotments made from the CCC Administrative Expense Accounts to support a voucher to reimburse the CCC Administrative Expense Account for charges not applicable to CCC activities. Obligations under direct allotments and CCC obligations are added to this summary for preparation of reports required by Budget-Treasury Regulations.

The system in effect prior to the above change was as follows:

Allotments from the CCC Administrative Expense Account were made in total without limitation by fund. The organizational units receiving such allotments reported monthly the man-months worked on each program, the total salaries earned by employees in each grade, and the estimated obligations incurred for other objects, by fund. The Fiscal Branch distributed salaries by fund on the basis of the man-months worked by employees in each grade. The amounts derived from this distribution and the estimated obligations for other objects were added to obligations incurred under direct allotments and CCC obligations for preparation of monthly reports required by Budget-Treasury Regulation 1.

Last year's management report described the development and installation of monthly Work Status Reports for Commodity Offices which show the work accomplished each month and the status of work at the end of the month in terms of number of documents and the time required to handle them. These reports were further refined during 1952 and used as a basis for determining allotments to FIA Commodity Offices for the fiscal year 1953. The work of determining financial requirements was made less time consuming and represents a more accurate conversion from program volume to staffing requirements than

has been possible in the past. The reports permit an evaluation of manpower needs and indicate when adjustments are required to secure maximum effective utilization.

The improvements in fund control and use of Work Status Reports by PMA's top management personnel were indirectly commended by the House Subcommittee on Agricultural Appropriations during February 1952 when the Chairman, Mr. J. L. Whitton, said, "I want to commend you again for the budget presentation for this fiscal year. I think you have made a very thorough job of tying in your workload and your cost in the price support system."

10. Ocean Shipping Rate Savings. The market for space on ocean vessels varies between a depressed market and an extremely tight one. Extensive savings have been effected in ocean transportation costs by contracting for consecutive charges on the depressed market to the Government's later benefit as the market tightened.

In order to accomplish such savings a system has been developed whereby simultaneous conversations are carried on between ocean shipping personnel of PMA and three or more ships' brokers. Thus we obtain instantaneous contact with the shipping space "market" when PMA is engaged in the fast-moving operation of booking ocean shipping space for grain and other commodities destined for export. Recorders catch the results of the calls. Wires are kept open to seaport cities while specifications are given to the brokers. Within a very short time brokers are informed of the Government's requirements and the Government has obtained firm bids. The whole procedure protects the best interests of the shipping industry and the Government.

Both full cargo vessels and borth liners are used. The former calls for taking the entire ship at rates made by bids. The other involves taking space on a large ship carrying general cargo at published rate schedules made in the fashion of those of railroads. However, shipping companies can cut rates if they find it good business, and PMA, by keeping an eye on the amount of shipping moving in various trade routes, often obtains reduced rates by offering to ship on vessels that are scheduled to sail with empty cargo space. Last year a sizeable amount of money was saved by this method.

11. Conversion of Administrative Property Records to Machine Tabulation System. We are converting our present inventory controls on administrative property from the four-copy Form AD-106 card system to a machine tabulation system.

Under the Form AD-106 card system four copies of the card were prepared, one copy being furnished to the branch or office responsible for custody of the property, and three copies filed in the master control files. The margin for error was multiplied each time action was taken on the transfer or disposition of property inasmuch as four copies of the record were pulled from the files, corrected, and refiled. Considerable time was required in the taking and reconciling of required

physical inventories. Branches and offices physically inventoried each piece of property on hand, listed the property on a work sheet, checked the work-sheet against their property record cards, and prepared an alphabetical listing of property on hand. Our Office of Administrative Services was required to check the inventories item for item against the master control files.

Under the machine tabulation system one card is prepared for each piece of property and retained in the Machine Tabulation Section. Necessary changes are made on only one card instead of four. Branches and offices are no longer required to type the annual inventory nor will they maintain a set of property record cards. An alphabetical listing of property charged to each branch and office is submitted annually to such offices by the Office of Administrative Services. Property on hand is checked against the list, discrepancies noted, and the listings returned. Corrections of the master card file are made on the basis of omissions or additions indicated by the branches and offices.

12. Inventory Control Records System. It is essential that several organizational units of PMA know the kind and amount of commodities taken over by CCC as collateral under its loan programs. Previously, the accumulation and maintenance of this inventory information for processed and certain other commodities was performed by the organizational units to suit their own needs. During the 1952 fiscal year a study was made of the basic operating inventory informational needs of the commodity branches, Transportation and Warehousing Branch, and PMA Commodity Offices. It was disclosed that the needs were basically similar for the commodities concerned and that uniformity in record keeping would result from a standardized system. Therefore, a new plan of simplified documentation was devised. With some adjustments in the operating procedures in the PMA Commodity Offices, and a consolidation of forms it was possible to eliminate the time lag that had made previous inventory reporting systems unreliable. A snap-out form was developed consolidating six forms into one and four other forms were eliminated. The pilot system was installed in the Dallas PMA Commodity Office in September 1951 to ascertain its feasibility. In March 1952 the new system of inventory control was put into effect in other PMA Commodity Offices. New commodities are constantly being added to the list of those controlled under this system. Tangible administrative savings have resulted and advantages to the over-all operations of affected organizational units are numerous. This new inventory system is being applied to additional commodities normally acquired by PMA and CCC in its varied programs.

13. Revision of Inventory and Loading Order Procedures. During May 1952 the Minneapolis PMA Commodity Office completely overhauled the procedure for maintaining country inventories and issuing country warehouse receipt loading orders on CCC-owned grain.

The change introduced a radically simplified method for maintenance of country operating inventories and for country loading order issuance. Specifically it accomplishes the following:

- (1) Establishes a more flexible country operating inventory record.
- (2) Makes better use of IBM records and facilities. The operating inventory record is maintained on IBM cards, and loading orders are produced on the IBM machines eliminating typing work connected with loading order issuance.
- (3) Eliminates the use of several forms.
- (4) Eliminates several clerical and typing operations in their entirety.
- (5) Shortens processing time of loading orders.
- (6) Reduces errors.

The new system eliminated 3 out of a total of 11 work processes and simplified 3 of the remaining 8 processes. Two out of three major forms were eliminated and 13 out of 21 copies of forms.

The Commodity Office is working to extend and expand the benefits obtainable from this new concept to other phases of operations.

14. Auditor Training Program. During the past fiscal year, the initial phase of a training program for auditors employed by FMA State Offices who audit program and administrative operations was completed in all but six States. This training was accomplished by reviewing the working papers and audit reports prepared by the county auditors and by having them participate in audits performed by FMA's Office of Audit. This training program has materially increased the effectiveness of the audits performed which has in turn strengthened our internal controls.

15. Files and Records Management. The Chicago FMA Commodity Office has developed a plan to retire promptly inactive documents and to consolidate active documents into a centralized file with a master pocket type folder for each contractor, payee, or creditor. Each master folder will house all separate folders required. Of 661 correspondence file cases originally located throughout the office, about half will be discontinued, 130 sections having been retired in less than 2 months. This plan will result in our holding filing equipment and space to a fixed minimum and will also provide office-wide control over all correspondence and valuable documents.

16. South Carolina State Office Accomplishments. As an example of State Office accomplishments we are listing below those reported by the South Carolina State Committee.

- (1) A uniform system of filing program records was established in all 46 county offices and the State Office.

(2) Five separate training schools on program operating procedures were held for county administrative officers.

(3) The workload formula for determining county office administrative expense budgets was refined.

(4) The State PMA Office was moved during the fiscal year resulting in a consolidation of all State Offices of the Department of Agriculture in the same building. Also 18 county offices were consolidated with local agencies of the Department and extensive efforts are being made to consolidate all counties.

(5) In accord with the policy of the Administrator of PMA many program and administrative responsibilities formerly carried out by the State Office were transferred to county PMA committees.

(6) A comprehensive program and administrative audit procedure was established for auditing county offices and all such offices are now being audited accordingly.

(7) A State-wide meeting of all county committeemen was held to inform them of current PMA policy and changes in administrative and program procedures which will be placed in effect during the 1953 fiscal year.

17. Summary of Incentive Awards Program. During the past year 481 suggestions for improving our work were received from PMA employees. 147 suggestions were adopted. The number of adoptions during this one year represents nearly 38% of the total adoptions since the beginning of the program in 1947. In addition to the suggestion awards granted during the year PMA granted efficiency awards, superior accomplishment awards, step increases, outstanding performance ratings, and honor awards.

During the year, the assistance of the PMA Employee Council was obtained in making a survey of objections, criticisms, and suggestions in connection with the awards program. 20% of the Washington employees were included in the study which revealed very valuable material to guide the administration of the program in the coming year.

The PMA County Office Suggestion Program was developed and released during the year for use by the States on an optional basis. As of the end of the year 1/3 of the States had installed the program.

Additional management accomplishments reported by branches and offices are as follows:

1. Accumulation of Work Measurement Data. The New York PMA Commodity Office designed and installed a system whereby IBM equipment is used in the accumulation of data and preparation of management reports. Installing the system necessitated: (1) the development of a "Man-hour Work Measurement Employee Record" and "Non-day Work Measurement Summary Record," (2) the

development of IBM codes to represent activities, individual employees, organizational units, etc., and (3) the development of a tabulating procedure for mechanically reporting such workload information in preparing monthly Work Status Reports and Man-Months and Obligations Reports. The measurement data collected is related to workload and manpower expended thereby assisting supervisory and management personnel of the Commodity Office in better utilization of manpower and in coping with operational and management needs.

During the past year the system has been installed by other Commodity Offices and enables them to analyze workload problems more easily, to recognize accumulating backlogs before they become troublesome, to detail personnel between units when necessary, and to operate programs more efficiently. The system provides a basic framework which makes it possible to relate the status of all programs at any time with the size of staff necessary for accomplishment.

2. Supervisory Training Program. A supervisory training course was developed by PMA's New York Office of Personnel Management in collaboration with the Industrial and Labor Relations School of Cornell University. Approximately 35 supervisors from Grade 9 through 12 took the courses the majority of whom were employed by the New York PMA Commodity Office. The course covered such subjects as office management supervisor and employee relations, work measurement and production planning, morale problems, etc. The first phase was conducted by Dr. John Slocum of Cornell University and the second phase by Mr. Norman Limborg, Training Officer of the Bureau of the Budget's New York City office. Each graduate received a certificate from Cornell University. We feel that the supervisors attending these courses were taught many valuable management skills and techniques which will enable them to better perform their present duties and prepare themselves for advancement.

3. Demonstrations for Tobacco Growers. Demonstrations in proper techniques to improve preparation of tobacco for market were given to 71,000 growers. In addition to this assistance, a sample grading program was conducted in cooperation with the States of Connecticut, Massachusetts, and Wisconsin, for the first time. The program permitted producers to submit samples of tobacco, whereby they were given the U. S. Standard Grade. They were further informed on how to improve sorting of crops in order to properly prepare tobacco for sale. Approximately 600 producers submitted samples.

4. Consolidation of Instructions. All instructions of the Livestock Market News Service were consolidated into a numbered series by subject classification. The instructions thus revised are more definite and specific on the operation of the market news service, the information to be collected, how it is to be released and the responsibility of officers and reporters for obtaining the desired results. These consolidated instructions should contribute to more efficient operations as well as better service to the public.

5. Schedule for Production Goals. Production goals for agricultural commodities are developed on the basis of latest possible information available on supplies and requirements, yet as far as possible ahead of planting season for the next crop. In order to have these goals reflect the reactions of the State Agricultural Mobilization Committees as to the most desirable pattern of land use it became apparent that it would be necessary to have a specific working schedule for goals development. This schedule was established and distributed to all concerned well ahead of need and adhered to carefully for the full season. State Agricultural Mobilization Committees especially have expressed their appreciation for this addition to the goals program and have shown its value by more prompt and complete replies in reviewing and commenting upon preliminary goals than was the case in 1951. The schedule enables them to develop their plans for field work on goals in advance. Also, goals development work is proceeding more smoothly in Washington. Less prompting is necessary of those responsible for initiating various phases of work which must be done and coordinated with that of others. Goals are now developed with desirable "lead times" to permit their announcement so as to influence farmers in making their production plans.

6. Farm Record Card. The farm record card system for recording data for normal yield and proportionate share purposes was installed during the year in all domestic sugar producing areas, except Hawaii. The new system provides an efficient method of recording acreage and production data and, in turn, greatly reduces the amount of time required to establish farm normal yields and farm proportionate shares. In the case of normal yields, acreage and production data for a moving base period ranging up to seven years is used, while a base period up to five years has been used in establishing proportionate shares. In prior years, the establishment of normal yields and proportionate shares for a farm required reference to the different forms applicable to each year in the base period. Currently, data for all years of the base period necessary to determine farm normal yields and proportionate shares are available on one record or form. The new system has facilitated the work involved and enabled employees to work on other activities.

7. Improvement of Fresh Products Inspection. There are 34 of the U. S. Standards for Fresh Products which require accurate measurement of areas of various dimensions in order to determine the grade. A plexiglas plate having outlines of circles of various dimensions has been developed to take the place of devices previously used in making these measurements. This plexiglas plate is durable, easily made, and low in cost. It provides inspectors with equipment to do a better and quicker job of inspection. These services are rendered on a fee basis. Consequently, no direct monetary value will accrue to the Department other than intangible savings in administrative costs. However, there will be a very tangible improvement in the accuracy and speed of services rendered by the inspectors.

8. Cooperative Aerial Photography Agreements. By the expanded use of a new method whereby PMA enters into cooperative agreements with State and county government agencies, we have cut the cost of PMA expenditures for this purpose by over one-third since 1950. During the past year the number and

extent of such agreements doubled that of the previous year, with the State and county agencies bearing 50% of the cost of more than half of the total photography made during the year. Also, by a new method of contracting for flying on a year-round basis, and by the application of other improved management methods, the FMA costs of aerial photography were further cut despite rising costs to contractors for services, materials, and equipment.

Aerial photography is essential to our programs by providing means of obtaining accurate measurements of fields devoted to allotment crops and for technical use in connection with the Agricultural Conservation Program. The use of aerial photography effects material savings in time and cost, and results in more accurate measurements, better records, and more efficient operation of farms.